

**THE STATE OF NEW HAMPSHIRE**  
**PUBLIC UTILITIES COMMISSION**

**DG 04-133**  
**DG 04-175**

**ORDER OF NOTICE**

On September 20, 2004, the New Hampshire Public Utilities Commission (Commission) Staff filed with the Commission a status report (Report) regarding its investigation of the 2003 Summer Period gas costs incurred by EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England (KeySpan). The Report was filed pursuant to Order No. 24,317 (April 30, 2004) in Docket No. DG 04-040, approving KeySpan's 2004 Summer Period cost of gas and directing Staff to report its findings and recommendations regarding the dispatch of DOMAC FCS supplies to the Commission. The Report stated that Staff's investigation into the Summer Period gas costs incurred by KeySpan has not been completed and that the prudence of KeySpan's dispatch of DOMAC FCS supplies during the period from November 1, 2003 through October 31, 2004 is an open question. According to the Report, there are other open issues related to KeySpan's dispatch and management of its gas resources, including but not limited to the performance of the Gas Resource Portfolio Management and Gas Sale Agreement (Asset Management Agreement or AMA) between KeySpan and Entergy-Koch Trading, LP, effective April 1, 2003. Staff recommended that the Commission open a new docket to address open gas dispatch issues.

The Commission previously issued Order No. 24,323 (May 7, 2004) approving a Settlement Agreement (Settlement) in Docket No. DG 03-160, KeySpan's 2003/2004 Winter Period Cost of Gas (COG) proceeding. Among other things, the Settlement required Staff and

the parties to hold further discussions and collect more data regarding certain matters. Specific actions to be taken by KeySpan included determining the cost of amending the AMA to reflect several different methods of handling of the DOMAC FCS supply, filing an Integrated Resource Plan (IRP) with the Commission which would address, among other things, the goals and methods to be pursued and implemented in connection with the AMA, and discussing with Staff and the parties its risk management policy and criteria for storage management decisions.

On August 2, 2004, KeySpan filed with the Commission its IRP for the period November 1, 2004 through October 31, 2009, including a section regarding the AMA as required by Order No. 24, 323. This filing has been docketed as DG 04-133.

On September 1, 2004, KeySpan filed with the Commission its 2004/05 Winter Period COG, docketed separately as DG 04-152.

The Report and the IRP raise, inter alia, issues related to: methodology used to forecast demand, both short- and long-term; methodology used to determine normal and design planning standards; methodology and analysis used in developing a supply portfolio to meet demand; adequacy of the existing portfolio; management of the supply portfolio, including the dispatch of underground storage and DOMAC FCS supplies; whether the AMA provides a net benefit to customers as currently structured and managed; whether a revised AMA would provide a net benefit to customers and how a new AMA should be structured to provide the greatest benefit; and whether the KeySpan risk management policies and practices are consistent with Commission directives and orders regarding hedging price risks.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.05, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New

Hampshire on October 15 at 9:00 a.m., at which each party will provide a preliminary statement of its position with regard to the issues and any of the issues set forth in N.H. Admin Rule Puc 203.05(c) shall be considered; and it is

**FURTHER ORDERED**, that Docket No. DG 04-133 and Docket No. DG 04-175 be consolidated for procedural purposes until otherwise ordered; and it is

**FURTHER ORDERED**, that the following procedural schedule:

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|---|----------------------|
| Data Requests by Staff and Intervenors  | October 29, 2004     |
| Company Data Responses                  | November 12, 2004    |
| Technical Session                       | November 19, 2004    |
| Data Requests by Staff and Intervenors  | November 29, 2004    |
| Company Data Responses                  | December 9, 2004     |
| Management Audit at Company Offices     | December 14-16, 2004 |
| Testimony by Staff and Intervenors      | January 24, 2005     |
| Data Requests by Company                | February 4, 2005     |
| Data Responses by Staff and Intervenors | February 17, 2005    |
| Technical Session/Settlement Conference | February 18, 2005    |
| Testimony by Company                    | February 25, 2005    |
| Data Requests by Staff and Intervenors  | March 4, 2005        |
| Company Data Responses                  | March 18, 2005       |
| Hearing                                 | March 22-23, 2005    |

is established unless otherwise ordered following the prehearing conference; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin. Rules Puc 203.01, KeySpan shall notify all persons desiring to be heard at this hearing by publishing a copy of this

Order of Notice no later than September 30, 2004, in a newspaper with statewide circulation or of general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before October 15, 2004; and it is

**FURTHER ORDERED**, that pursuant to N.H. Admin Rules Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission an original and eight copies of a Petition to Intervene with copies sent to KeySpan and the Office of the Consumer Advocate on or before October 12, 2004, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin Rule Puc 203.02 and RSA 541-A:32,I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before October 15, 2004.

By order of the Public Utilities Commission of New Hampshire this twenty-fourth day of September, 2004.

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Adele E. Leighton  
Assistant to the Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.